

Thousands Of Race Farmers Save Homes Through Co-operative Loans

Cornelius King, Special Aide in Farm Credit Administration, Reveals How Race Farmers Are Helped Through Loans on Crops and Lands—Active in Organizations.

By TED POSTON
(Staff Correspondent)

ORANGEBURG, S. C., May 30—Thousands of Southern Negro landowners have saved their farms and protected lending services supervised by the Federal Government, it was revealed here this week.

The extensive membership of Negro farmers in Production Credit Associations and the National Farm Loan Association was discussed with the Courier here by Cornelius King, special assistant to Governor Black of the Farm Credit Administration.

Visiting the State Agricultural and Mechanical college on his regular tour, Mr. King revealed that Negroes are especially active in many of the 536 Production Credit Associations which have been formed by farmers throughout the country.

MAKE LOANS FOR CROPS, PRODUCTION

These cooperatives, private institutions supervised by the FCA, make short term loans to members also made on the \$5 share per \$100, for crop and annual production but interest for actual use is only purposes. The borrower pays \$5 a 3½ per cent. The farms are used as share for each \$100 borrowed with collateral and the cooperative's part of his live stock and equipment for per is discounted by the Federal collateral.

"Many Negro farmers have been able to borrow more than \$5,000 for one season's crop," Mr. King stated, "and in at least one instance, one Negro farmer borrowed \$11,000."

In South Carolina, North Carolina, Georgia and Florida, Mr. King said, Negroes compose at least 25 per cent of the membership of all the Production Credit Associations.

The associations charge 4½ per cent interest on all loans for the time the money is actually in use, and the Intermediate Credit Bank (operated by the Federal Govern-

ment) discounts the paper issued on collateral. The bank in turn issues short term bonds bearing 1½ per cent on the collateral. These debentures mature in less than a year.

RACE TAKES ACTIVE PART IN ORGANIZATIONS

Negroes play a prominent part, Mr. King revealed, in the National Farm Loan Associations which co-operatively handle long term farm mortgage loans for the purchase of land or the re-financing of existing farm mortgages. There are several all-Negro organizations included among the more than 5,000 farm loan associations throughout the country, and Negroes are directors on several boards of mixed associa-

Land Bank. The bank, in turn, issues bonds to the investing public.

MAY APPLY DIRECTLY TO FEDERAL LAND BANK

In areas where no cooperatives exist, farmers may apply directly to the Federal Land Bank for loans. Applications sent in by the cooperatives do not list the racial designation of the borrower. Loans are made up to 50 per cent of the appraised value of the land and 20 per cent of the insurable value of the buildings on it.

The Farm Credit Association also supervises the operation

FCA Official Shows How System Reduces Living Costs of Low-Income Groups

Selling Cooperatively Usually Brings About A Larger
Total Income To The Cooperator

Tells Growth of Consumer Movement

CHICAGO, Nov. 23, 1940—Just how the buying clubs, co-op stores and other branches of the cooperative movement result in lower prices of foods and household needs and aid low-income families in balancing their budgets, was told here last week in an address by Cornelius King, Washington, D. C., special assistant to the Federal Farm Credit Administration. However, according to the Census report, only 1.1 percent of the colored farm operators reported sales through farmers' cooperative organizations.

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Speaking at a session of the Conference of Presidents of Negro Land Grant Colleges, he said:

"The consumer cooperative movement has shown phenomenal growth up to and including 1939. It is estimated that at the end of this period there were some 4,350 retail distributive associations operating stores, buying clubs, and gasoline stations. Membership in these organizations numbered 925,000 individuals and annual sales amounted to about \$212,000,000.

"Cooperative group-action has been the means of bringing about a better price for products sold. One reason for the increase in price is due largely to the cooperative being able to place on the market a standardized product of a known quantity and quality as compared to that ensuing from individual effort. Also contributing to this increase in price is the more efficient distribution of products which prevents the glutting of the market at any one point and the resulting low prices. In addition, the large volume of commodities made available for sale through organized effort oftentimes brings better prices, as is brought out in a release by the Farm Security Administration as of May 26, 1939.

"According to 1930 Census data, Negro farm operators raised 32.6 per cent of the total cottonseed produced in 16 cotton producing states. The quantity of seed cotton produced amounted to 2,175,435 tons. Even a small portion of the cottonseed sold cooperatively at \$2 per ton above wagon prices would have meant substantial savings in excess divi-

ing the rudiments of pooling their dimes, quarters, and dollars into a group concern which will buy to advantage. Patronage returns or dividends on purchases to members has likewise contributed to increasing the buying power of the members of the cooperative association."

"Selling cooperatively usually brings about a larger total income to the cooperator due to better prices for products; reduction in cost of marketing; increased demand for commodities handled by the cooperative; and money for labor paid to families of members of the association.

"When people begin to cooperate in selling one product, the idea soon spreads to selling together other commodities. Often they initiate new industries that develop inherent talents and utilize local products. Such was the case of the people in the mountain region of western North Carolina, as shown by the following example:

* * *

Smoky Mountain women folk are not idle—and they are contributing more and more to the family larder through their home industries activities. The home industries department of the Federation has developed knitting, sewing, the making of rugs, baskets, ironwork and woodwork, and canning to add to the family income.

* * *

"Buying clubs, co-op stores, and other cooperative efforts have been organized by low-income groups as a means of reducing their living costs. Lower prices of foods, household needs, and services have helped the family of moderate means to stretch its buying power. The idea is steadily expanding and more low-income families are gradually learn-